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DEC 1, 2005

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BEFORE THE BOARD OF MILK CONTROL
OF THE STATE OF MONTANA
ANNOUNCEMENT OF CLASS I, II & III PRODUCER PRICES



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PUBLISHED: December 1, 2005
EFFECTIVE: January 1, 2006
12:01 a.m.

PRODUCER CLASS I PRICE IN MONTANA

CLASS I PRICE FOR MILK TESTING 3.5%	\$16.12 /CWT
CLASS I BUTTERFAT PRICE PER POUND	\$1.69 /LB

EFFECTIVE JANUARY 1, 2006:

The minimum price to pay milk producers, under ARM 32.24.301, is \$16.12 per hundred pounds of milk testing 3.5% butterfat, f.o.b. the milk distributor's plant.

When milk does not test 3.5% butterfat, compute the applicable price by applying a differential of 16.9 cents for each one-tenth of one percent butterfat above or below the midpoint of each producer payment. The value of one pound of butterfat utilized will be \$1.69.

PRODUCER CLASS II PRICE IN MONTANA

CLASS II PRICE FOR MILK TESTING 3.5%	REF: ARM 32.24.301(6)
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Average spray process dry milk solids	=	\$1.06500
price per pound	x	8.2
Multipled by 8.2		\$8.73300

Last quote of the month for Grade AA butter	=	\$1.31050
minus a differential of \$.0895	x	4.2
Multipled by 4.2		\$5.50410

LESS a make allowance of 8.5% (\$14.2371 X .085)

Rounded to the nearest whole cent = \$13.03 /hundredweight.

STATE DOCUMENTS COLLECTION

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MONTANA STATE LIBRARY
1515 E. 6th AVE.
HELENA, MONTANA 59620
\$8.73300
+ \$5.50410
\$14.23710
- \$1.21015
\$13.02695

CLASS II BUTTERFAT PRICE PER POUND**\$1.45 /LB**

Last quote of the month for Grade AA butter minus a differential of \$.0895	=	\$1.31050 X .111)	=	\$0.14547
Rounded to the nearest half cent			=	\$0.145

Butterfat value per pound
for milk at 3.5% test: **\$1.45**

Hundredweight price of milk testing 3.5% LESS 3.5 pounds of butterfat at	\$1.45 per pound	=	\$13.03
Value of 96.5 pounds of skim		-	\$5.075
		=	\$7.955

**CLASS II VALUE OF
ONE POUND OF SKIM****7.955 / 96.5 pounds) = \$0.08244 /LB****PRODUCER CLASS III PRICE IN MONTANA**

REF: ARM 32.24.301(7)

CLASS III PRICE PER CWT FOR MILK TESTING 3.5%**\$11.12 /CWT**

3.5 pounds of butterfat	x	\$1.18 per pound =	\$4.130
96.5 pounds of skim	x	\$0.07248 per pound =	\$6.995
			\$11.125 /CWT

CLASS III BUTTERFAT PRICE PER POUND**\$1.18 /LB**

Last quote of the month for Grade AA butter minus a difference of \$.0895	=	\$1.31050
LESS 10%	-	\$0.13105
		\$1.17945

Rounded to the nearest whole cent = **\$1.18 per pound.**

CLASS III PRICE PER CWT FOR SKIM MILK UTILIZED**\$7.24839 /CWT**

Avg. spray process dry milk solid price/lb =	\$1.06500
Multipled by 8.2	x 8.2
	\$8.73300
LESS 17%	- \$1.48461
	\$7.24839

Rounded to the nearest whole cent = **\$7.25 per hundredweight.**

BY ORDER OF THE MONTANA MILK CONTROL BUREAU

Compiled by:


 Monté Nick, Bureau Chief
 Montana Milk Control Bureau

BREAKDOWN BY TEST FOR CLASS I, II & III SKIM PRICES

CLASS I SKIM PRICE BASED ON \$16.12 FOR 3.5% MILK 96.5 LBS = \$10.205			CLASS II SKIM PRICE BASED ON \$13.03 FOR 3.5% MILK 96.5 LBS = \$7.955			CLASS III SKIM PRICE BASED ON \$11.12 FOR 3.5% MILK 96.5 LBS = \$6.995		
Blend Prices		Quota Excess	Blend Prices		Quota Excess	Blend Prices		Quota Excess
Jan-96 \$ 14.77 \$ 10.75			Jul-99 \$ 12.85 \$ 11.66			Jan-03 \$ 12.85 \$ 10.61		
Feb-96 \$ 14.75 \$ 9.63			Aug-99 \$ 13.25 \$ 13.11			Feb-03 \$ 11.08 \$ 9.52		
Mar-96 \$ 13.39 \$ 9.94			Sep-99 \$ 14.79 \$ 12.26			Mar-03 \$ 11.31 \$ 9.65		
Apr-96 \$ 13.78 \$ 9.40			Oct-99 \$ 16.32 \$ 10.20			Apr-03 \$ 11.10 \$ 10.06		
May-96 \$ 14.18 \$ 9.37			Nov-99 \$ 17.00 \$ 8.10			May-03 \$ 11.17 \$ 9.80		
Jun-96 \$ 13.98 \$ 9.84			Dec-99 \$ 12.68 \$ 8.18			Jun-03 \$ 10.99 \$ 9.49		
Jul-96 \$ 15.42 \$ 11.48			Jan-00 \$ 11.39 \$ 8.14			Jul-03 \$ 11.23 \$ 10.00		
Aug-96 \$ 16.52 \$ 13.19			Feb-00 \$ 12.33 \$ 7.98			Aug-03 \$ 11.65 \$ 12.40		
Sep-96 \$ 16.14 \$ 13.37			Mar-00 \$ 12.15 \$ 8.05			Sep-03 \$ 12.58 \$ 12.67		
Oct-96 \$ 16.33 \$ 12.47			Apr-00 \$ 12.18 \$ 8.03			Oct-03 \$ 14.50 \$ 14.08		
Nov-96 \$ 17.19 \$ 10.54			May-00 \$ 12.35 \$ 7.79			Nov-03 \$ 14.09 \$ 12.38		
Dec-96 \$ 15.41 \$ 8.09			Jun-00 \$ 12.47 \$ 7.83			Dec-03 \$ 14.60 \$ 11.22		
Jan-97 \$ 13.25 \$ 11.85			Jul-00 \$ 13.11 \$ 9.21			Jan-04 \$ 14.15 \$ 10.59		
Feb-97 \$ 13.01 \$ 9.83			Aug-00 \$ 13.51 \$ 8.04			Feb-04 \$ 12.75 \$ 11.64		
Mar-97 \$ 13.35 \$ 9.95			Sep-00 \$ 13.38 \$ 9.53			Mar-04 \$ 13.15 \$ 12.48		
Apr-97 \$ 13.84 \$ 9.88			Oct-00 \$ 13.49 \$ 8.14			Apr-04 \$ 14.23 \$ 13.94		
May-97 \$ 13.79 \$ 8.11			Nov-00 \$ 13.40 \$ 10.31			May-04 \$ 14.45 \$ 13.95		
Jun-97 \$ 12.37 \$ 8.09			Dec-00 \$ 12.82 \$ 9.29			Jun-04 \$ 18.35 \$ 12.97		
Jul-97 \$ 12.34 \$ 8.14			Jan-01 \$ 14.01 \$ 10.23			Jul-04 \$ 19.04 \$ 10.58		
Aug-97 \$ 12.41 \$ 9.59			Feb-01 \$ 13.47 \$ 9.91			Aug-04 \$ 17.27 \$ 11.19		
Sep-97 \$ 12.80 \$ 10.38			Mar-01 \$ 12.84 \$ 10.47			Sep-04 \$ 14.63 \$ 11.29		
Oct-97 \$ 13.76 \$ 10.50			Apr-01 \$ 14.10 \$ 11.76			Oct-04 \$ 14.24 \$ 11.17		
Nov-97 \$ 14.05 \$ 11.22			May-01 \$ 14.68 \$ 12.62			Nov-04 \$ 15.26 \$ 11.49		
Dec-97 \$ 14.22 \$ 10.43			Jun-01 \$ 15.78 \$ 13.09			Dec-04 \$ 13.86 \$ 10.66		
Jan-98 \$ 14.16 \$ 10.10			Jul-01 \$ 15.48 \$ 13.36			Jan-05 \$ 15.51 \$ 13.80		
Feb-98 \$ 14.38 \$ 10.11			Aug-01 \$ 16.52 \$ 13.92			Feb-05 \$ 15.67 \$ 10.61		
Mar-98 \$ 14.50 \$ 9.65			Sep-01 \$ 15.74 \$ 14.58			Mar-05 \$ 14.32 \$ 11.99		
Apr-98 \$ 14.50 \$ 9.65			Oct-01 \$ 16.74 \$ 13.29			Apr-05 \$ 15.03 \$ 12.43		
May-98 \$ 13.72 \$ 8.71			Nov-01 \$ 15.40 \$ 12.22			May-05 \$ 14.74 \$ 12.74		
Jun-98 \$ 13.37 \$ 10.65			Dec-01 \$ 14.90 \$ 10.38			Jun-05 \$ 14.57 \$ 11.81		
Jul-98 \$ 12.91 \$ 12.54			Jan-02 \$ 12.99 \$ 10.60			Jul-05 \$ 14.09 \$ 12.30		
Aug-98 \$ 14.53 \$ 13.06			Feb-02 \$ 12.90 \$ 10.78			Aug-05 \$ 15.16 \$ 13.33		
Sep-98 \$ 16.03 \$ 13.37			Mar-02 \$ 12.77 \$ 10.50			Sep-05 \$ 15.47 \$ 12.66		
Oct-98 \$ 16.12 \$ 14.72			Apr-02 \$ 12.72 \$ 10.20			Oct-05 \$ 14.76 \$ 13.77		
Nov-98 \$ 16.34 \$ 15.91			May-02 \$ 12.55 \$ 10.84			Nov-05		
Dec-98 \$ 17.17 \$ 15.55			Jun-02 \$ 11.51 \$ 8.79			Dec-05		
Jan-99 \$ 16.94 \$ 10.92			Jul-02 \$ 12.30 \$ 9.46			Jan-06		
Feb-99 \$ 17.54 \$ 9.92			Aug-02 \$ 11.82 \$ 10.15			Feb-06		
Mar-99 \$ 16.75 \$ 9.63			Sep-02 \$ 11.86 \$ 10.36			Mar-06		
Apr-99 \$ 11.95 \$ 10.31			Oct-02 \$ 11.68 \$ 10.11			Apr-06		
May-99 Missing May			Nov-02 \$ 11.60 \$ 10.66			May-06		
Jun-99 \$ 12.86 \$ 9.51			Dec-02 \$ 12.04 \$ 10.61			Jun-06		

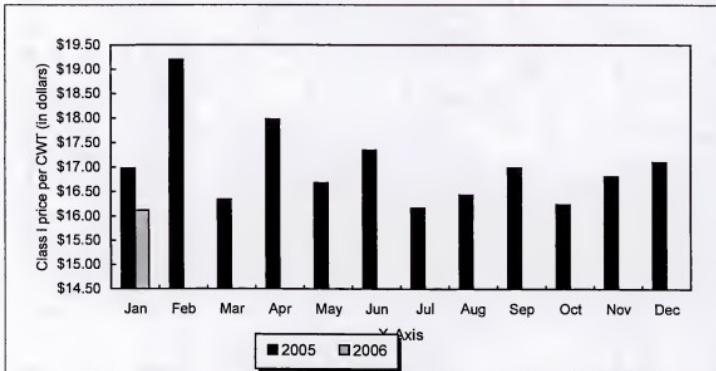
PRODUCER CLASS I PRICE IN MONTANA

Charts below show a class I price comparison for 2004 and 2005

Statistics from the Montana Milk Control Bureau

Month	2005	2006	Difference	% Change
January	\$16.98	\$16.12	(\$0.86)	-5.06%
February	\$19.20			
March	\$16.34			
April	\$17.98			
May	\$16.68			
June	\$17.35			
July	\$16.17			
August	\$16.44			
September	\$16.99			
October	\$16.25			
November	\$16.82			
December	<u>\$17.11</u>			
Average	\$17.03	\$16.12	(\$0.86)	-5.06%

Prices are per hundredweight (CWT).

**Completion of pooling (prior to audit) shows the producer quota blend prices to be:**

OCTOBER 2005: class I = \$8.93; class II = \$1.18; Class III = \$4.47; total = \$14.57

(calculations based upon utilization percentages of butterfat & skim)